



North Carolina Department of Revenue

Beverly Eaves Perdue
Governor

Kenneth R. Lay
Secretary

July 28, 2009

MEMORANDUM

TO: OSBM

FROM: Kenneth Lay, Secretary
Linda Millsaps, Chief Operating Officer
Elizabeth Colcord, Chief Financial Officer

SUBJECT: Email Archive Purchase

The Department of Revenue is requesting the purchase of an email archiving system. Presently, DOR is experiencing performance issues with the current GroupWise Email system due to the volume of email that DOR employees have always been required to retain. DOR has been managing its own email system since 2004 and in the past, employees were responsible for deleting non-business related emails. Neither the system nor the administrator deletes email messages from the system. Due to state public records requirements that DOR has always maintained, very few emails are ever deleted so the quantity of email has grown considerably. Employees have always utilized the GroupWise system as an email *and* an archive system. In 2007, DOR experienced performance issues that required additional servers and mailboxes be added to accommodate the load. It was understood at that time that this was a temporary solution. We are now at a point that we must purchase a solution or risk jeopardizing one of the most critical services for the agency and others who communicate via email with the agency.

DOR understands the state recommendation that it is more cost effective for agencies to migrate to the state consolidated email system. In the past DOR had been granted a waiver due to ITS' inability to meet the encrypted storage requirement in a cost effective manner. The encrypted storage requirement separates DOR's email from other agencies' email, as required by IRS 1075 statute. ITS worked with DOR in the fall of 2008 to obtain requirements in order to provide this service to DOR at some point. However, in reviewing the latest costs provided by ITS, it would cost DOR approximately \$273,000 per year or \$22,750/month excluding archiving services. Our current yearly cost for providing email service is \$155,600 per year. Although DOR and ITS have discussed migrating to the state consolidated email system, due to budget constraints and the Executive Order 18 requirement for the state to procure an email archive solution, ITS has not committed to a date or final rate at this time.

Due to the criticality of DOR's email service for internal and external users, we are requesting the following purchases as soon as possible:

- GWAVA Retain Archiving Software – GroupWise compatible archiving software at a cost of \$30,000

- Hardware – server to house retention software at a cost of \$10,000

The \$40,000 cost is for one year with a maintenance cost of \$14,000 per year after that first year.

This purchase would allow DOR to maintain the current email system at an acceptable service level and meet the Executive Order 18 requirement for an archiving solution for the Department of Revenue.

Cc: Tracy S. Doaks, Chief Information Officer

Website: www.dornc.com
An Equal Opportunity Employer